

ALVIN EMERGENCY MEDICAL SERVICE

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Business Plan

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Executive Summary

Alvin EMS offers a unique combination of premier emergency medical care and community-based services to the people of Alvin and nearby communities located in Brazoria County. Currently, the main goal of Alvin EMS is to meet the demands for emergency medical services from the immediate area. However, market research indicates that there is a significant need for regulated non-emergency response care within the region and emergency transportation to all major hospitals.

There are currently numerous ambulance companies that offer transportation from the Alvin area, both emergency and non-emergency. However, there are no ambulance companies based in the area. This causes a response time of at least 20 minutes. A local-based ambulance company providing both emergency and non-emergency transports would be a plausible investment as response times would be greatly reduced and greater service options would be available to the public such as transport to the Medical Center.

All pricing will be set according to Medicare, Medicaid, and other insurance regulation so pricing is not a major factor of consideration. Sales estimates project revenues of approximately \$575,000.00 in the first year and \$700,000.00 by year three. Alvin EMS estimates profits of approximately \$29,000.00 by the end of year one. These estimates are very conservative and difficult to project without an historic trend.

Mission, Vision, and Values Statements

Mission – To serve the greater Alvin area by providing the best possible emergency and non-emergency medical care to every patient regardless of socioeconomic status.

Vision – To continuously improve patient care by advancing the service’s resources and operations while efficiently adapting to call volume increases.

Values – Alvin EMS is dedicated to placing priority on our patients. All calls and all patients are important, no matter the situation. All who represent Alvin EMS will treat each patient with dignity and respect. Quality assurance is maintained through continuing education.

Expansion Summary

Even though Alvin EMS is an operating emergency medical services provider, additional expansion cost are associated with providing non-emergency ambulance transportation and regulating current ambulance transports. Regulation should take the form of an ordinance that allows the City to permit and regulate all ambulance services operating in the City. The expansion table, below, indicates in detail those costs which include the following:

- Additional Personnel
- Vehicle Expense and Fuel
- Medical Supplies

213 - EMS Fund/EMS Program

Description	Budget 2009/10	Based on Remainder of FY '10 (6 months)				Notes
		Proposed 2009/10		Difference 2009/10		
Salaries	\$ 156,878	\$ 180,006		23,000		Assistant Director - III E
Overtime	45,000	50,000		5,000		
Longevity	3,146	3,146				
Extra Help	380,080	522,580		142,500		1 additional 24/hr crew & 12/hr crew
TMRS	70,361	92,447		22,112		
Social Security	44,860	57,526		12,665		
Equipment Allowance	1,296	1,296				
YE Compensated Absences	0	0				
Total Personnel	701,621	907,001		205,277		
General Office Supplies	2,500	3,500		1,000		
Magazines, Maps, Books	300	300				
Office Copy Supplies	500	500				
Household Supplies	500	700		200		
Medical Supplies	55,000	70,000		15,000		
Motor Vehicle Fuel	43,257	58,257		15,000		Longer transports
Janitorial Supplies	500	700		200		
Wearing Apparel	8,000	10,000		2,000		Approx. 12 new employees
Foods	1,000	1,500		500		
Fire/Injury Prevention Program	4,000	4,000				
Supplies- Building & Grounds	3,000	3,000				
Electrical Parts & Supplies	100	100				
Paint, Lumber, Hardware	250	2,750		2,500		Additional crew quarters
Motor Vehicle Supplies	1,000	1,000				
Minor Tools & Equipment	3,000	3,000				
Computers & Printers	1,000	2,500		2,500		1 Additional CAD/OSSI units
Safety Equipment	1,000	1,000				
Total Supplies	124,907	162,807		38,900		
Consultant Services	500	500				
Medical Services/Pre-Employment	6,000	6,000				
Contract Billing Services	90,000	105,000		15,000		Collection of increased revenues
Telephone & Telegraph	4,892	8,892		4,000		2 Additional cell phone & 4 aircards
Postage & Freight	50	50				
Training & Travel	7,000	7,000		0		
Advertising & Public Notices	50	50				
Insurance - General	8,270	8,270				
Worker's Compensation	20,169	20,169				
Group Insurance	26,850	31,110		4,260		Assistant Director (insurance)
Electricity	7,000	7,000				
Gas	3,000	3,000				
Water	1,200	1,500		300		
Building/Structure Improvements	3,000	4,000				
Fixed Plant Equipment	7,000	8,000				
Office Equipment Repairs	4,000	4,000				
Motor Vehicle Repairs	500	500				
Radio & Radar Equipment	4,500	4,500		0		
Rental Office Equipment	250	250				
Exterminations/Disinfectants	500	500				
Janitorial Services	800	800				
Grounds Maintenance Contract	2,010	2,010				
Vehicle Maintenance Fees	28,451	33,451		5,000		Additional Ambulance
Vehicle Replacement Accruals	60,875	60,875				
Total Services	286,867	317,427		28,560		
Special Equipment	34,000	0		0		Additional Ambulance (used)
Misc. Equipment	6,425	6,425				
Total Capital Outlay	40,425	6,425		0		
Transfer to General Fund	35,678	35,678				
Transfer to Fund 222	0	0				
Total Interfund Transfer	35,678	35,678				
EMS	\$ 1,189,498	\$ 1,429,338	4	\$ 239,840		Net Increase

History and Position to Date

Services

Alvin EMS provides basic and advanced pre-hospital care and transport for the greater Alvin area. Currently, Alvin EMS operates two primary ambulances and two reserve units with a full staff of part-time paid medics. The service also has medics who are able to respond from the local area if a third ambulance is needed. With one central station, Alvin EMS is optimally positioned to respond to all calls within the city limits.

Alvin EMS is operated under an enterprise – EMS fund operated under the authority of the City of Alvin. As such, the service is accountable to the City of Alvin and ultimately the people of Alvin. Internally, Ron Schmitz, the Director of EMS, whose job it is to manage the service in virtually all aspects and a billing clerk, who performs the necessary clerical duties to operate the service, are the only two full time positions. All others operate on a part time basis. Paramedic supervisors are in charge of all of the other medics and are given responsibilities such as supply ordering, scheduling, and quality assurance.

History of Alvin EMS

As of 04/04/05, Alvin EMS has changed from a volunteer service to a staff of part time paid EMS personnel. Prior to this change the service was comprised of part time Paramedics and volunteer EMT's. With the increasing call volume and declining volunteer staffing, the service was frequently understaffed. The current structure provides definite staffing of two MICU ambulances with paid Paramedics as well as EMT's.

Goals

1. Improve quality of care

Maintain the highest level of care. With regulation of what services that can transport to the emergency room, Alvin EMS insures that the quality of care that the residents of Alvin are receiving is up to the highest standards. With the ability to transport to the Houston medical center, this insures that the patient is being transported to the most appropriate facility.

2. Improved response times

When there is an emergency, it is the goal of Alvin EMS to have an ambulance on scene within 6 minutes or the national standard time. By regulating who can transport within the city limits, this response time can be adhered to by all ambulance services.

3. Increased billing revenues

By providing non-emergency transportation and regulating what services can transport from within the city limits, Alvin EMS will gain additional revenue that are now being sought by other ambulance services outside our area.

4. Reorganization of structure

Alvin EMS could better their organization structure and employee moral with the creation of an assistant EMS director position and changing from part time to full time staff. This would insure that Alvin EMS would become one's primary job and therefore their priority.

Service Area Information

Profile of Service Area

The greater Alvin area demands a strong EMS to meet the challenges of providing care to a diverse population with an equally diverse range of medical problems. Alvin is in a medically underserved area. Also, there is no

hospital in the greater Alvin area. Patients must be transported to the nearest available facility. According to the US Census in 2000, Alvin, Texas, 77511 was home to 42,361 people.

Service Area Trends

In 2008 Alvin EMS responded to 4,102 calls compared to 3,329 calls in 2006. The total number of responses in 2000 was just less than 2,400. The population change from 1990 to 2000 was 26.1% in Brazoria County according to the US Census Bureau.

Market Analysis Summary

Currently, the consumer base for Alvin EMS is patients that dial 911 for emergency transportation to the hospital. We intend to expand to include all nursing home to hospital and urgent care to hospital calls. In 2007, one transport ambulance provider received 1067 calls from Alvin Urgent Care and 233 calls from nursing homes for transport to the emergency room. Also included in our expansion plan is to transport non-emergency calls from residences, nursing homes, and dialysis centers.

Operations

Currently, Alvin EMS provides 24 hour coverage with two ambulances, including two part time paramedics and two part time EMT basics or intermediates. It is our intention to increase coverage to three 24 hour trucks and one 12 hour day truck to handle the increased call volume from adding non-emergency transports. To accomplish this, it would be in the city's best interest to hire an assistant director. This person would need to have expertise of the unique elements required to run a non-emergency ambulance service, such as the permitting process, Medicare requirements and insurance referrals.

Sales Forecast

The most important factor in our financial plan is collection of receivables. Our additional transports will be reimbursed primarily by Medicare, Medicaid, and other private insurance. History indicates that these payors are sometimes slow to reimburse and receivables can get hung up in automated systems if not tracked closely. As we broaden our scope of service to include a larger payor base, these lags in collection will have less impact on cash flow.

We are projecting growth and total annual sales very conservatively, with high projected expenses. Our cost of sale is relatively low, as this is a service agency and the primary cost involved in providing the service are those related to payroll and transportation.